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Islamic Philanthropy, Development and Wellbeing

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Islamic philanthropy, development and wellbeing

Mariz Tadros

Introduction

Islamic philanthropy has been experiencing much shifting terrain with respect to its role of promoting wellbeing. The term Islamic philanthropy is used here to refer to private goods given in accordance with Islamic ordinances of charitable giving for public purposes. Islamic philanthropy is to be differentiated from philanthropy in Muslim communities, which can be private giving for public purposes that may or may not be driven by a fulfilment of religious ordinances and which may also be organised by non-Muslim denominations living in Muslim societies.

Understanding Islamic philanthropy is particularly challenging in view of the fact that most Islamic philanthropy is non-institutionalised and distributed through informal channels that are difficult to capture. The focus here is on formal types of Islamic philanthropic practice because their visibility allows for better documentation. Islamic philanthropy is also highly politicised, especially so since 9/11 and the War on Terror which specifically targeted some Islamic philanthropic organisations as supporters of terrorist activities.

This paper seeks to contribute to the debates on Islamic philanthropy and development, both conceptually and through case studies, especially from Egypt. Conceptually, it argues that the three-dimensional concept of wellbeing offers some analytical inroads into understanding the relational dimensions of the role of Islamic philanthropy in Muslim-majority contexts, and how it is embedded in subjective meanings of the self and fulfilment of divine precepts.

In view of the central role that Islamic precepts play in informing Islamic philanthropists about types of support and who to support, this paper discusses the different requirements for achieving wellbeing in the Muslim *Ummah*¹ as dictated by Islamic jurisprudence. It briefly discusses the innovations in interpretations in Islamic jurisprudence that broaden the causes and groups for which charitable giving is permitted, as well as innovations in Islamic philanthropic practices.

While the paper makes reference to Islamic philanthropic practices in different contexts (the Diaspora, the Middle East, Asia), many of the examples are drawn from Egypt. The Egyptian case study is particularly important for the study of Islamic philanthropy on several fronts. First, Egypt is home to Sunni Islam's largest centre of learning, Al-Azhar, which has played an important role in issuing religious opinions (*fatwas*) and providing innovations in interpretations grounded in Islamic jurisprudence. Moreover, the context is rich in the different forms of Islamic philanthropic activity that have been initiated. Also, in view of its geostrategic positioning, developments in conceptualisations and practices in Islamic philanthropy in Egypt often have a ripple effect beyond its national borders. It is not the intention of this paper to suggest that the Egyptian case study is to be generalised across other contexts, as there are great variations in the way Islamic philanthropy manifests itself in other contexts.

¹ *Ummah* here in this sentence is used to refer to both the nation state and the wider community of all Muslim believers worldwide.

The paper presents different ways in which religion has informed Islamic philanthropic practice through the formation of institutions and organisations, be it through the establishment of local civil society organisations to meet local needs or through the establishment of transnational organisations that work among Muslim-majority communities abroad. Also discussed are Islamic philanthropic practices that have taken the form of the establishment of charity 'arms' to Islamist political forces. Islamic philanthropic practices are also manifested in some contexts in the formation of sister foundations to existing companies that allow people to combine corporate social responsibility with religious giving. Despite the diversity of practice, form and geography, Islamic philanthropies share one common factor – the giving and the channelling of resources driven by the fulfilment of religiously mandated prescripts. The innovations in practice lie in the ability to allocate religiously prescribed forms of giving that have been practised for hundreds of years to unconventional purposes and unconventional groups. Such innovations have emerged from the pressing urgency of addressing unmet needs when existing initiatives have fallen short.

The paper argues that Islamic philanthropy provides a sustainable form of resource mobilisation and benefits from extensive community outreach. However, there are a number of conundrums facing Islamic philanthropic organisations that are particularly pertinent to their positioning within the wider arena of philanthropy: first, how to innovate approaches and strategies of charitable giving without losing the core constituency whose support is inspired by more traditional interventions; and, second, how to create consensus around clear demarcations distinguishing between charitable giving that is political and that which is not.

3-D wellbeing, Islamic notions of wellbeing and philanthropic practices

Wellbeing as conceptualised in three-dimensional terms refers to 'the material, the relational and the subjective' (McGregor and Sumner 2010: 105). The material refers to forms of deprivation that have been the focus of conventional development policy, such as addressing child malnutrition or girls' education or a population's health. While these material deprivations are critically important, they do not fully capture people's experiences. A relational approach may, for example, shed light on how social exclusion and social capital influence people's opportunities, shape their choices and affect their quality of life. The third dimension of wellbeing, the subjective, engages with people's own perception of their trajectories, because 'people's own aspirations and experience of life matter in how they conceive of and struggle for wellbeing' (McGregor and Sumner 2010: 105). McGregor and Sumner argue that 'if development policy, and poverty policy in particular, is intended to generate forms of intervention that are genuinely supportive of people's struggles for wellbeing, then all three of these dimensions and the relations between them must be taken into account' (McGregor and Sumner 2010: 105–6).

An understanding of Islamic philanthropic practices requires a shift from examining the phenomenon through the lens of Western philanthropic experiences to one which takes into account how historical experience, agential and structural factors have produced the kind of trajectories we see today. However, the 3-D conceptualisation of wellbeing provides two important analytical inroads for understanding notions of wellbeing with regard to Islamic philanthropic practices. The first is the focus not only on material dimensions of wellbeing, but its relational elements. In other words, understanding that the challenge of wellbeing applies not only to individual attainment but also to living well together (Deneulin and McGregor 2010). Such an understanding has several implications in the assessment of wellbeing; for one, it means understanding wellbeing as entailing an interconnectedness between the present generation and

future generations. A focus on climate change and environmental preservation would be one example where the wellbeing of individuals and communities is conceived of in relation to future individuals and communities. The Islamic philanthropic practice of *waqf* (see below) bears resonances with this relational approach to wellbeing across generations. The ethos behind *waqf* is that contributions to the public good should be made in a durable form – for instance, land, infrastructure or a particular service that will not only serve the immediate needs of the present generation but future generations as well.

Moreover, the relational approach also has convergences with Islamic philanthropic approaches where individual wellbeing is understood within the wider and broader concept of the division of labour and organisation of the Muslim *Ummah* (nation). The ideological basis for Islamic philanthropy is bound by a concept of wellbeing that encompasses relations between individuals in a community, the outreach of one Muslim community to another, and the relationship between the individual and God. As succinctly put by Alterman and Hunter (2004),

In Muslim conceptions of faith and community, humans are linked to each other through their obligations to God. A charitable act is therefore not merely an act of faith, nor merely an act of community. It is the building of community through faith, and the building of faith through the deepening of community. ...in this structure, charity is not so much an act of piety as it is one of obligation.

The second way in which the 3-D notion of wellbeing is analytically useful for understanding Islamic philanthropic practices has to do with the third dimension of wellbeing, namely that of the subjective perception of the quality of life. This is instrumental for understanding an integral aspect of Islamic philanthropy, which is that one's perception of wellbeing does not only entail the self in relation to others, but also perceptions of one's fulfilment of requirements in relation to Allah. Conceptualisations of development tended to focus on the material dimension of living (Deneulin and Rakodi 2011) which has meant that non-material dimensions of wellbeing that cannot be captured and assessed in tangible ways – matters to do with the transcendental in people's lives – have tended to be excluded from debates about policy. However, integrating people's subjective perceptions of their quality of life paves the way methodologically for capturing how their religious values influence their experiences of wellbeing (or lack thereof). In effect, it makes it possible to capture more fully the complexity of the value system in which individuals are raised, and when and how it informs their agency. Since religion is pervasive in many communities (Deneulin and Rakodi), a 3-D approach to wellbeing provides an opportunity to examine the transcendental in an embedded, contextualised way. For Islamic philanthropic practices to be understood in their full nuances, it is important to note that they are often driven by people's conceptualisation of wellbeing for themselves and for their community as being bound by the implementation of divine prescripts.

A number of principles provide the overarching framework in which the role of Islamic philanthropy is embedded. The first is *tawheed* – the belief that the laws of God are the guiding principles for living (Braheimy 1997). This provides a holistic approach to development where there is no differentiation between what is material and what is spiritual, nor a distinction between what is worldly and what is otherworldly (el Assal 1996; Braheimy 1997). Another guiding principle is comprehensiveness (*shumoliyya*), where there is a balance between the meeting of the spiritual needs and the material, without privileging one over the other (El Assal 1996; Braheimy 1997), unity between the members of the Muslim *Ummah* and brotherhood among the believers (Braheimy 1997: 27) and balance between personal wealth accumulation and public welfare, personal and social responsibility, and social justice. Social justice is achieved through a system of promoting giving (*zakat*) by making it a *fard* (obligation) for the wealthy to pay and delegating responsibility for its distribution to the poor. El Assal further argued that in Islamic jurisprudence,

the principle of redistribution of resources is not guided by the equalisation of resources between the rich and the poor but the fulfilment of the needs of the latter.

Below is a brief scoping of the different forms of giving inspired by Islamic practices and teachings. As Islamic jurisprudence is rich in diversity of positions and interpretations, there may be variations in application.

The most important source of financing of Islamic philanthropy is *zakat* which is based on the conditions cited in the Surah of At-Toubah, Repentance verse 60 in the Holy Quran. Zakat represents one of the five pillars of Islam and is obligatory for Muslims to pay. Zakat is generally calculated at 2.5 per cent of wealth (but varies according to source of wealth) and is paid at the end of the Ramadan fast. The Holy Quran stipulates eight categories of *zakat* recipient:²

1. *The poor*: someone in need but who does not solicit support.
2. *Poor masakin*: those who are in need and who are actively seeking aid. According to El Qaradawy, one of the most renowned scholars of Sunni Islam, assistance is to be provided such that there is sufficiency in their basic needs. What constitutes 'basic needs' is, of course, a matter around which there has been much deliberation within Islamic jurisprudence.
3. *Those employed to collect the funds*: those who are responsible for collecting *zakat* and those who are distributing *zakat* finances. El Qaradawy feels that this category suggests that *zakat* administration should be an institutionalised part of the state.
4. *To attract the hearts of those who have been inclined (towards Islam)*: those recent or potential converts to Islam or those with whom a favourable relationship is desired in the interests of the Islamic *Ummah* (El Qaradawy 2006: 606).
5. *To free the captives*: Muslims who need to be ransomed.
6. *For those in debt*: individuals who have fallen into debt and who are unable to pay their debts (El Qaradawy 2006: 633).
7. *For Allah's cause* (for *mujahedin* – those fighting in a holy battle): El Qaradawy affirms that the four schools of jurisprudence have agreed on three main points regarding the disbursement of *zakat* for the Way of Allah: first, that *jihad* is definitively what is meant by *fi sabil Allah*; second, that it is legitimate to dispense *zakat* for the *mujahedin* but not the actual instruments/means of *jihad* (such as weapons) and, third, that the dispersion of *zakat* for this purpose does not encompass supporting public goods such as hospitals, roads or the burial of the dead. After citing the various Islamist jurists who have sought to expand the meaning of *fi sabil Allah* (for the sake of God), Qaradawy states his own position, which is that the meaning of the Quranic verse, *fi sabil Allah*, is *jihad*, so the use of *zakat* funding for public goods as an end in itself is not permissible in this category, unless it is instrumentally deployed for the purposes of *jihad* (in other words, not funding a hospital as a goal, but funding the hospital if it means undermining the work of a missionary hospital) (El Qaradawy 2006: 669).
8. *The Wayfarer (a traveller who is cut off from everything)*: Jurists agreed that travellers refer to those persons who have left their original home or abode and do not have the basic resources for survival (El Qaradawy 2006: 682).

While there is some divergence in opinions over the specific qualifying conditions within each category for *zakat* disbursement, in one sense these criteria provide insight into some of the

² Please note that the words in italics are a direct quote from Al-Hilali and Khan (undated: 254).

requisites for achieving wellbeing on an individual and communal level as they tackle the wider political, social and economic objectives associated with charitable giving.

More recently, there have been vibrant debates on whether *zakat* finances can be used for development purposes. Mainstream jurists and the general public are inclined to prefer to follow the more orthodox interpretation of the eight categories of *zakat* rather than more expansive, broader interpretations. However, Sheikh Yusuf El Qaradawy, among many other scholars, has argued fervently that it is possible to use *zakat* funding to support the jobless (whose unemployment is involuntary), to provide sustainable income generation for the poor and relief when disasters strike (El Qaradawy 2001). One of the key factors that may contribute to creating an enabling condition for the emergence of innovations in Islamic philanthropy would be to re-engage with questions of interpretations of who qualifies for *zakat* in Islamic jurisprudence. While, for example, some organisations (such as the Agha Khan foundation) have taken the position that it is possible to dispense *zakat* to non-Muslims, many other Islamic philanthropic organisations and individuals tend to maintain the mainstream Islamic jurisprudence stance that *zakat* should be exclusively directed to supporting Muslims.

The second most prominent source of philanthropic giving is *sadaqa*. *Sadaqa* is a charitable act normally undertaken on a discretionary basis on a one-off or regular basis. *Sadaqa jariya* (literal translation is ongoing charity) is an act whose impact is sustained well after it has been made; in other words, it has a long-term impact. *Sadaqa jariya* 'encompasses benevolent acts with an ongoing life, such as distributing religious books, making educational materials freely available, or planting fruit trees in a public square' (Ibrahim and Sherif 2008: 3). Ibrahim argues that *sadaqa jariya* can be one of the innovative ways in which civil society can draw on the strong religious motives for giving among Muslims in order to support development initiatives such as in art, culture or environmental protection and unconventional groups who are not covered by the eight categories of *zakat*. *Sadaqa* finances have, for example, been used to support microfinance credit programmes in Egypt which would not conventionally fall within the *zakat* categories. Since *sadaqa* is not only giving in financial ways or in kind but also in time or capabilities, it has recently been used to foster volunteerism, particularly among the youth (Ibrahim and Sherif 2008: 5). In view of the flexibility of what constitutes *sadaqa* and to whom it can be directed (not necessarily exclusively Muslim), it is one form of Islamic giving which can potentially represent a repertoire for innovative approaches to promoting wellbeing.

Other forms of charitable giving include *khoms* which is 'a charitable obligation of Shi'a Muslims, calculated at 20 per cent of annual profits or 20 percent of income above and beyond living requirements' (Alterman and Hunter 2004: 5). Some forms of charitable giving are seasonal, such as serving *iftar* meals and paying *zakat al fitr* to the poor during Ramadan.

The third most important source of charitable giving in Islamic philanthropy is *awqaf* – these are endowments that individuals or families tie up for the welfare of others, both for individuals and for the community. For centuries, families have dedicated buildings, agricultural land and other property for endowments, and more recently monies have also been endowed. The ethos behind the endowments system is to create a sustained source of income to cover the costs of providing for public or private goods from the rent generated from the property or land endowed. Endowments have generally represented an intergenerational transfer of assets since they themselves would not be sold, but the revenues ensuing would provide a source of constant support. However, *awqaf* have also been a prominent form of Islamic philanthropy because they have often been earmarked for one of two causes – the land to be used for mosques or social welfare, such as schools, hospitals, orphanages and their running costs.

Awqaf are considered a form of *sadaqa jariya* since they provide a long-term and continuous source of support for public benefit. Ibrahim el Bayoumy Ghanem, leading scholar of the study of Islamic endowments, argued that the system of endowments was the cornerstone upon which many civil society organisations were established at the beginning of the twentieth century. Yet the nationalisation of the endowment resources by most Islamic and Arab governments in the past century destroyed their role in supporting civil engagement and activism. States nationalised endowments to achieve a number of ends, some interconnected. In the 1950s and 1960s newly formed nationalist governments in the Arab world sought to establish highly centralised state systems in which the government – and not any other actor – would play the leading role in the social, political and economic development of a country. There was an intention on the part of many of the newly established governments to weaken civil and political society to dilute potential opposition, and nationalising the *awqaf* deprived them of a critical source of financial sustenance. Moreover, corruption and misuse of *awqaf* funds also contributed to increasing calls for regulating the sector (Ghanem 2001). Nationalisation of the endowments, argues Ghanem, brought them under the auspices of bureaucratic laws and regulations that de-incentivised people from making endowments because they no longer had control of them, nor were people given the necessary freedoms to exercise their agency in directing these resources to the causes and groups of their choice. The paradox of the situation is that in reality the Ministries of Endowment, which took over responsibility for administering the nationalised *awqaf* at the start of the twentieth century, are best described as ‘Ministries of Civil Society’ because the resources they are overseeing are the cumulative outcome of many decades of giving driven entirely by a strictly social, civil will (Ghanem 2008). In Egypt a law was promulgated in 1958 to bring all the endowments under one governmental umbrella –that of the Ministry of Endowments that is still in effect today. Ghanem argues that pre-nationalised endowments played a critical role in the rise of the Islamic civilisation because they carved a civil space that is regulated by its own incentives, norms and values of public giving.

Some of the most important causes for which endowments have been made are the construction and maintenance of mosques, but also schools, fountains and wells, cemeteries, services for the needy, and agricultural lands the produce from which was to be distributed to the poor. To this day, endowments are a critical source of sustained philanthropic funding because they comprise assets that generate revenue. If the endowments system is ever to be revived, it will require reform of the regulatory framework such that it is no longer under state control in order for it to play a central role in the exercise of civic responsibility and civil engagement.

A scoping of Islamic philanthropic actors

Islamic philanthropy in the form of the practice of *zakat*, endowments, and other forms of private giving for charitable purposes has existed since the dawn of Islam. However, there are historical conjunctures in global politics which have played a critical role in the emergence of particular forms of organised religion-inspired philanthropy. For example, the emergence of non-governmental organisations (civic associations) in the late nineteenth century and throughout the twentieth century inspired many to establish their own organisations as channels for institutionalising the collection and disbursement of religion-inspired giving. These organisations often did not suffer from shortage of financial resources (endowments, *sadaqa* and *zakat*) but they were, with a few exceptions, mainly engaged in charity.

In the 1970s another new kind of philanthropic actor emerged in the Gulf – the transnational philanthropic organisation. The wealth generated from the discovery of oil in the Gulf was partly diverted into the formation of transnational philanthropic organisations, which assumed a leading role in funding the *mujahedin* in Afghanistan. The growth of these transnational organisations derived from their backing for Muslims in *jihad* which attracted support from individual and collective sources (Benthall and Bellion-Jourdan 2003). Concurrently, Islamic philanthropic organisations also proliferated in tandem with the resurgence of political Islam in the 1970s, as extensions to or umbrellas of political movements. These extensions proved extremely important in creating a space for the active participation of followers in the exercise of their faith (through charitable acts) as well as in creating a political constituency (Tadros 2004; 2010).

Moreover, the emergence of diaspora communities in Europe and the United States also helped the proliferation of religious philanthropic organisations including Islamic ones. These newly established philanthropic organisations tended to vary in orientation (some maintained links to Islamist movements back home, some were independent), and in level of activity (some establishing mosques and schools and Quran classes at a local community level, others providing support transnationally). New generations of philanthropic organisations established in the diaspora also brought new organisational structures, adopting professionalised benchmarks for engagement (Petersen 2011: 81–2).

It is important to note that the way in which the Islamic character manifests itself in philanthropy is often influenced by local cultural and political adaptations of religion. It is very difficult to arrive at a classification of Islamic philanthropic organisations because of the changing nature of mandates, leadership, organisational identity and geographical focus. Perhaps the clearest distinguishing factor is between organisations that espouse political agendas and those that engage in charity/development. In some cases it is possible to make such a distinction because the organisation has sought to openly pursue a particular path. In other cases, such a distinction is more difficult to make because the partners and activities are engaging in politics on a more informal, clandestine basis, in particular in the post-9/11 highly securitised context. Hence, what is presented below are ways in which Islamic character expresses itself in philanthropic practice and where innovations have emerged rather than types of organisation.

- *Civil society organisations including non-governmental organisations (NGOs) and private foundations established for the purpose of collecting and disbursing charitable giving and/or development to address community needs.* These exist in large numbers in most Muslim-majority contexts and exist within the wide CSO (civil society organisation) sector. These organisations often emerge in response to issues emanating from within the community. In Egypt, for example, a whole new generation of Islamic philanthropic organisations began to emerge in the 2000s which created spaces for middle class youth to become involved in giving finances (in accordance with Islamic precepts), their time and their professional capacities. Conventional CSOs in Egypt rely on the social capital of elites to tap into the repertoire of financial and in-kind resources of the better-off, whether they are of an Islamist nature or non-politically active charities. However, what distinguishes these new organisations is that unlike their conventional counterparts where the assumption of leadership positions is intrinsically associated with seniority and status, these new organisations are characterised by a high level of youth involvement at the decision-making level (Siam 2012).

An example of such an organisation is Resala, which was established in 1999 by a group of students in the faculty of engineering and became formally established as an NGO in 2000. It has managed to attract large numbers of young people through its religion-inspired messages of religious giving and sharing. It now has 50 branches in all governorates (sub-national

governance) and has 100,000 volunteers. Activities include providing classes in literacy, computer skills and language, and support for groups with special needs such as street children, the elderly, the blind, and those suffering from a disability. Further, what characterises this new generation of religion-inspired NGOs is that, in addition to extending charity and relief in its typical forms (orphan sponsorship, food handouts at Ramadan), they have also ventured into new territories in research, education, income generation and community development which is a considerable shift from conventional Islamic philanthropy (Siam 2012).

Hence we are already beginning to see the emergence of innovations in the allocation of religion-inspired funds in response to unmet needs and unfolding social dynamics at the local level. This is innovative in that in conventional civil society philanthropic practice, there is a set menu of target groups and specific activities which are believed to be most aligned to the precepts of Islamic doctrine and which are extended to populations almost through a cookie-cutter approach. Yet these newer generations of civil society are seeking to engage in new activities, and target different groups without abandoning the religious repertoire that is so crucial for their ability to recruit volunteers and mobilise financial and technical aid.

- *Islamist movements and groups that establish philanthropic organisations as social welfare arms.* Many Islamist movements either work directly and informally in collecting and distributing as part of their broader community engagement or have established philanthropic organisations that are closely aligned with the political agendas of their movements. The Muslim Brotherhood in Egypt, for example, is one of the most renowned movements for creating a wide network of philanthropic organisations through which charity is extended, and is sometimes tied directly or indirectly with political ends such as creating a constituency or winning an election (Siam 2012). Other examples include Hizbollah, which created its own network of philanthropic organisations in South Lebanon and which initially relied on funding from Iran but which later became able to generate its own resources from within the community (Fawaz 2005). The theme of politicised aid will be returned to later in the paper.
- *Transnational Islamic organisations.* Two of the most prominent prototypes are (1) organisations which have combined a religious identity with a 'professional development identity', and (2) organisations whose religious identity means that overt forms of proselytisation are more pronounced and therefore assume a political character. One case study showing such a distinction is provided by Peterson in his comparison of Islamic Relief Worldwide UK and the Saudi-based Islamic Relief. Islamic Relief Worldwide UK was established by an Egyptian medical student studying in the UK, and initially funded through *awqaf* funding. Among Islamic transnational organisations, it is one of the leading actors in providing humanitarian assistance, with 100 branches worldwide. Its annual budget in 2010 reached £64 million, its resources have become quite diversified to include Western donor funding, funding from the Islamic Bank and individual donations in addition to its endowments (Islamic Relief Worldwide 2010). Its dual identity of being Islamic and developmental is manifest on several levels. The organisation uses an Islamic reference *vis-à-vis* its framing (Islamic humanitarianism, Islamic development, Islamic reading of justice) while also engaging with contemporary development issues and frameworks (MDGs, relief, empowerment, etc.). Further, its activities combine the staple menu of conventional areas of Islamic philanthropic intervention such as orphan sponsorship or *korbani* (Ramadan handouts), while also venturing into community development initiatives and broader processes of relief. Islamic Relief Worldwide UK can be contrasted with the International Islamic Relief Organization (IIROSA) established in Jeddah, Saudi Arabia in 1979. The Organisation works in 95 countries, and activities include orphan sponsorship, mosque

construction, well-digging, education, healthcare and emergency relief. IIROSA distinguishes between its *da'wa*-guided philanthropic practices (activities aimed at proselytisation), which it argues are driven by compassion, and the practices of non-Muslim aid organisations which IIROSA associates with efficiency, distance and greed (Peterson 2011). However, there are suspicions of its association with terrorist support (the UN concluded in 2006 that two of its branches were facilitating fundraising for Al Qaeda and affiliated terrorist groups). Its support for the *mujahedin* in Afghanistan and Bosnia-Herzegovina has brought it under strict surveillance, and its funding levels have declined in recent years (Peterson 2011). The new security measures have made IIROSA feel that it is under assault as part of an American scheme to undermine everything associated with Islam and Muslims. Its resistance to integrating alternative approaches into its philanthropic practice is part and parcel of protecting its identity against external threats and hostility. At such a critical juncture, it seems that external and internal dynamics are pressing IIROSA to function more in the sphere of religious exclusivity and moving Islamic Relief Worldwide UK more towards the direction of becoming another Agha Khan or Oxfam. However, a change of political configurations internally and externally may shift the directions yet again for both organisations at some point in the future.

- *Corporate philanthropic organisations.* Ibrahim and Sherif's eight-country case study of philanthropy in the Arab world notes that there is often a convergence between corporate social responsibilities and religiously inspired philanthropic activities because the actors behind both are often the business leaders. 'They might for example, utilize zakat contributions from privately owned business profits to create job-training programs for unemployed poor youth' (Ibrahim and Sherif 2008: 16). The study found 'great dynamism and innovation at this interface between corporate and private philanthropy'. One example is Ithmar Capital, a family-run private equity firm established in the United Arab Emirates, which dedicates 5 per cent of its shares to *zakat* and *sadaqa*. 'Profits derived from that amount annually are put into a non-profit sister company led by the women of the family' (Ibrahim and Sherif 2008: 181).

It is noteworthy that many organisations, whether local, national or transnational, combine charity, development and profit-generating activities. It should not be assumed that all of the above forms of Islamic philanthropy necessarily engage in a formal way; some of the acts of giving are performed in the realm of the informal. Institutionalisation of Islamic philanthropy has historically taken the form of endowments and more recently the form of philanthropic organisations. However, a significant proportion of Islamic philanthropy remains informal and non-institutionalised. For example, while philanthropy in the Gulf region contributes US\$15–20 billion every year, making it 'one of the most generous regions in the world – less than 2 billion USD of this is institutionalised' (Cheema undated: 131). While Cheema argues for the institutionalisation of greater proportions of it, this is likely to be met with resistance where philanthropists prefer to keep their giving backstage, in view of the flexibility and discretion it grants them.

Admittedly, our focus on institutionalised Islamic philanthropy signifies that we are only capturing a very small proportion of a very large sector. Since much of Islamic philanthropy is informal and non-institutionalised, it is unaccounted for. Yet scoping such activity is no easy task since it would be naïve to assume the collaboration of philanthropic actors – many of whom would prefer to remain anonymous.

Opportunities and constraints in innovation for Islamic philanthropies in promoting wellbeing and engaging in development

Three key areas are identified here that offer opportunities for innovations to enhance the Islamic philanthropic promotion of wellbeing and engagement in development: (1) continued innovation in engaging with scriptural texts; (2) humanitarian interventions; (3) the revival of *awqaf*.

The first area is continued 'innovations' in engaging with scriptural texts in order to legitimise making philanthropic resources open to more causes and more people.

The humanitarian support sector offers further scope for innovation in promoting wellbeing. Islamic philanthropy plays a highly influential role in funding interventions worldwide, especially in areas of conflict, fragility or natural disasters where significant Muslim populations reside. Islamic philanthropic organisations' ability to play a critical role emanates from their sustainability of funding base, effective outreach and strong linkages between the local, national and transnational (Tadros 2010). The ability of Islamic philanthropists to have effective outreach, particularly in Muslim-majority contexts, is one that is shared by all faith-based initiatives, as adherence to a universal religion creates a common identity that cuts across difference in nationality, background or culture. This was one of the points around which consensus was established at a roundtable convened by IDS, bringing together Muslim and Christian faith-based actors, including philanthropic organisations (Tadros 2011). Partnerships between Islamic philanthropic organisations and their counterparts from other faith backgrounds as well as secular ones have already been established to respond to large-scale crises. However, there is certainly room for greater collaboration, particularly in the realm of humanitarian intervention.

Awqaf (endowments) are the third area offering scope for innovation in promoting wellbeing. More recently, there has been an interest in the revival of the *awqaf* system as a means of generating a sustainable, autonomous form of promoting wellbeing (see the Arab Unity Studies Centre special edition on *awqaf* edited by Ghanem 2001). The case for promoting the practice of *awqaf* is based on a number of arguments that are often context-specific. In Egypt, for example, it is argued that if sufficient financial and income-generating assets are endowed for development purposes, this would allow civil society organisations to work in a sustainable way. It would also grant them more autonomy as they would have to rely neither on government support nor foreign funding. Advocates of reviving the *awqaf* system argue that since historically it played a pivotal role in supporting society, it has much potential to contribute to wellbeing. In practice, it would mean encouraging people, development organisations and donors to invest in an endowment for an organisation rather than exclusively fund projects and specific activities. In effect, in most Muslim-majority contexts, there are no institutional impediments to bestowing endowments for organisations. Often this has taken the form of creating foundations (which require an endowment to be legally set up).

However, one of the constraints for the use of endowments for wellbeing purposes through supporting civil society organisations is that in cases where organisations have large budgets, a very large endowment would be needed in order to generate the revenue that would cover its costs. Further, many critics (see Ghanem 2001) have argued that in order for a revived endowments system to play a positive role as a philanthropic practice, its organisation and management would have to be revamped in order to enhance accountability and reduce the

opportunities for corruption. Innovative ways of managing *awqaf* would have to be found, and this may be an area of common collaboration between international non-Islamic philanthropists and their Islamic counterparts.

The shadier side of Islamic philanthropy

Numerous studies on philanthropy indicate that religion plays a key role in outreach in many different contexts (see Anand 2004, Anheier and Salamon 1998, Ilchman, Katz, and Queen II 1998, James 1998, and Smith *et al.* 1999, in Flanigan 2006). However, in the highly securitised post-9/11 environment and the 'war on terror' policy, Islamic philanthropic organisations have been in the limelight as channels through which funding is directed towards political or militant activity. The Islamic philanthropic scene has been affected in two seemingly contradictory ways. On the one hand, there has been greater security oversight of Islamic philanthropic organisations, leading to freezing the assets of some because of alleged connections to Al Qaeda that are run from Western territories. There has also been more pressure put on governments to adopt a stricter regulatory framework in surveying the flow of funding (Petersen 2011). Sentiments of suspicion are also mutually shared by many Islamic philanthropic organisations who feel that there is a war on Islam (Alterman and Hunter 2004: 3). On the other hand, some Western policymakers have been keen to establish relations with Islamic philanthropic organisations that they have identified as 'moderate', with the intention of subverting the influence of their more 'radical' counterparts (Peterson 2011; Tadros 2011).

What is argued here is that some Islamic philanthropic organisations' work involves the intertwining of religion and politics in ways that reduce the possibilities for achieving wellbeing. While the work of many other faith-based and secular actors also entails combining politics with development, there are a number of elements of Islamic philanthropic politicised activity that runs counter to promoting people's *ability to live well together*; in other words, it undermines the relational dimensions of wellbeing. An extreme form is that of Islamic philanthropic funding of *jihadist* activities (*jihad* used here to refer to holy war against those defined by the followers as infidels) which in effect means funding militant activity. Jonathan Benthall and Jerome Bellion-Jourdan (2003) offer some examples. As expected, in many cases such funding is channelled either through opaque organisations or in opaque operations.

The second way in which such politicised philanthropic assistance undermines wellbeing is when it is used by foreign governments to increase their influence in other country contexts. A case in point is the extension of aid from private philanthropic organisations in Qatar to particular Muslim-majority contexts as a form of soft power. Another example is the global dissemination of Wahabi Islam from Saudi Arabia to Muslims in majority and minority contexts. Wahabism is a puritanical strand of Islam developed by an eighteenth century resident of what is now Saudi Arabia, Muhammed Ibn Abd el Wahab, with a view to purging Islam of all that he considered to be deviations from the way it was practised by the early followers of the Prophet Muhammed. Ghodsee, for example, documents how Saudi-funded Islamic philanthropic organisations used charitable assistance as a way to promote Wahabi-Salafi ideology, which was at odds with more populist and liberal norms of interpreting and practising Islam in Bulgaria, the European country with the largest Muslim population (Ghodsee 2007). Kroessin and Mohammed's study also shows how in Somalia, philanthropic organisations supported by Saudi Arabia were overtly diffusing Wahabi Islam in very concerted ways which severely impeded women's choices and imposed new strict expectations about how Islam should be practised (Kroessin and Mohammed 2008).

In post-Mubarak Egypt, the channelling of Islamic philanthropic support from the Gulf to particular Islamist organisations has severely undermined the prospects for building inclusive political communities that allows for achieving wellbeing on a relational level. In 2011, a fact-finding committee was established by the Ministry of Justice to examine large-scale foreign funding being channelled into local organisations. Ironically, although the committee was initially established against the backdrop of a government that was prejudiced towards Western funding for progressive liberal NGOs, the report highlighted that the largest single recipient of foreign funding was an Islamic philanthropic organisation. The report noted that the Ansar al Sunna al Muhammadiyyah association received LE181 million pounds from charitable philanthropic organisations in Qatar and LE114,494 million from the Kuwaiti-based 'Society of the Revival of Islamic Heritage' (bringing total funds of LE296 million). The committee noted this is the largest sum ever received by any organisation in Egypt in such a short period (2010–2011) (Hamouda, 2011). It is well known that Ansar al Sunna al Muhammadiyyah is a Salafi organisation closely affiliated with the Salafi political force (Guindy 2011). This is critical on two levels. First, the Salafi movement in Egypt has advanced a vision of a political order which denied both women and non-Muslim minorities full and equal citizenship rights, in particular if such rights are regarded as incompatible with Islamic law. Second, there have been speculations as to whether, in view of the close ties between Salafi organisations and the Salafi political party El Nour, these funds were channelled indirectly to the political party. Egyptian law prohibits political parties from accepting funding from foreign sources.

An unnamed diplomatic source close to the fact-finding committee told one local press source (*Roz al Youssef*) that he believed that Qatar is striving to assert its influence in Cairo through the Ansar al Sunna al Mohammadiyyah organisation's nationwide branches. He added that such funding derives from philanthropic organisations affiliated to the Royal Family. He argued that this strategy is being pursued against a backdrop of Qatar's ambitions to play a leading role in the Middle East, and Egypt being an obstacle in its path (Suweid 2011). Such forms of Islamic philanthropic funding have serious implications for the power dynamics between different social, economic and political forces internally, and risk undermining relations between people, even if the funding goes towards addressing their material needs. This is particularly so in the light of Salafi organisations whose public stances on political parties that do not use an Islamic reference, on women's empowerment and on non-Muslims in leadership positions undermine social cohesion and deepen gender and sectarian divisions in society.

Hence, if Islamic philanthropy as a sector is to strengthen its role in promoting wellbeing and creating conditions that enhance partners' ability to engage in holistic development, it will have to address the question of how to deal with those organisations that are engaged in opaque political work whose impact runs counter to building inclusive societies. Currently, there are few effective checks and balances in place that serve to hold those who engage in such work accountable. This is because some of these activities, and the organisations themselves, function informally. For Islamic philanthropy, there is also the additional challenge of assessing the permissibility (and desirability) of allocating *zakat* money for *jihad* purposes in Islamic jurisprudence and devising ways to go about doing this.

In order to address this particular conundrum, there will need to be far more research to expose the implications of politicised Islamic philanthropy for building inclusive societies and advancing progressive social change and wellbeing. Finding mechanisms for unravelling informal as well as formal networks for philanthropic engagements may also strengthen the possibilities for accountability. This would need to be done by local actors whose legitimacy and appropriate framing of these issues enables them to offset potential accusations of being 'Islamophobic'. The World Congress of Muslim Philanthropists conferences suggested a number of measures to

enhance accountability and transparency, such as ‘educating and updating grantees on compliance and cross-border giving regulations’ and proposing a new scheme entitled ‘Securegiving’ which would act as a clearing house to verify each grantee’s credentials (Cheema undated: 130, 133–4). However, what would be more difficult to arrive at is consensus on what constitutes political activity and what doesn’t, and which forms of religion-inspired agency comprise forms of *da’wa* and which represent highly exclusionary and particularistic agendas.

Conclusions

This paper suggests that new perspectives in development thinking, such as three-dimensional approaches to wellbeing, offer significant analytical scope for engaging with conceptualisations of Islamic philanthropy. A relational approach to wellbeing, for example, is useful in understanding how philanthropy not only fulfils the function of supporting material needs, but is also embedded in relationships, between individuals, within the wider community and between the donor and God. A subjective approach to wellbeing allows for understanding the role of Islamic philanthropy in the broader conceptualisation of perceptions of fulfilling God’s precepts. This is not to suggest that the three-dimensional notion of wellbeing is the normative framework through which to assess or judge the Islamic philanthropic model, only to suggest that it is analytically useful for exploring its multidimensionality.

This paper has argued that innovations in Islamic philanthropy emerge when actors are able to use a religious repertoire for responding in unconventional ways to identified gaps or needs in the immediate or broader community. This was the case in Egypt when youth groups responded to the absence of a development model that is responsive to people’s needs, and which is still inspired by religious precepts of wellbeing, by forming their own organisations combining the two. Religious repertoire here refers to the financial obligations prescribed by Islam, the religious idioms and discourse to promote volunteering and the use of social capital for expanding outreach. Such innovations unfold when actors are able to interpret religious doctrine with a certain level of flexibility and creativity and when the political context in which they thrive allows them the space to engage.

It is likely that in the upcoming years, there will be a shift towards institutionalising and professionalising Islamic philanthropic assistance on both local and transnational levels. Innovations will require creative ways of expanding interventions without losing the core constituency of givers whose support is inspired by religious precepts. This has proven to be a major challenge because givers often request that the funding be earmarked for specific groups or purposes such as the sponsorship of orphans or the establishment of a mosque. However, the case study of *Resala* from Egypt suggests that organisations can integrate charity, relief and development in such a way as to create a successful interface between religiously prescribed giving and unconventional areas of community intervention.

Innovations may also be strengthened by greater dissemination and mainstreaming of the work of Muslim scholars who through *ijtehad*³ have broadened the understanding of religious prescripts on who qualifies for religious giving, under what circumstances and in what ways.

The revival of the role of endowments in Islamic philanthropy should be considered as one area where innovative approaches to wellbeing and development can develop. However, for such a revival to occur, states would need to cede control of the sector to civil society in contexts where the endowments were nationalised – a trend for which there is little evidence at the moment.

³ Reinterpretation of the texts according to the rules of Islamic jurisprudence.

Moreover, such a scenario would also require addressing two challenges. The first is how to free this sector from state control without thereby undermining the demands made upon the state to recognise citizens' rights to welfare. In other words, while freeing endowments to support giving is highly desired, it would not be in the interests of citizens if they were to live in a *sadaqa* society,⁴ one where they can solicit aid, but where they cannot claim it as an entitlement. The second challenge is how to provide transparent, open and effective channels of management that would prevent corruption and misuse of funds. The Western model of philanthropic foundations – and their management – may in some instances provide an opportunity for collaborative sharing.

Finally, there is the conundrum of how development practitioners can find a common platform to engage with Islamic philanthropists but also be aware of the diversity of actors and agendas and the potential for a conflict in understandings of wellbeing that would undermine such collaboration. A case in point is philanthropic organisations whose funding is used to advance political agendas that undermine the prospect of achieving wellbeing, in particular its relational elements.

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⁴ A term coined by Deniz Kandiyoti (see Kandiyoti 2011).

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